WIOA Information Session 4 – Performance Accountability System September 11, 2014

Slide 1 – WIOA Information Session 4 – Performance Accountability System [image of Department of Education seal]

Welcome to the fourth in a series of information sessions designed for State Directors of Adult Education. The purpose of the series is to acquaint key staff in State adult education offices with the changes in the recently reauthorized Workforce Innovation and Opportunity Act, or WIOA, in order to facilitate transition to the new law. WIOA will require strong partnerships at the State level and a good working knowledge of the legislation is essential to being effective in that leadership role. This session employs a format known as a flipped classroom by delivering content in advance of planned discussion and interaction. This series and format is a result of conversations with the Executive Committee of the National Adult Education Professional Development Consortium.

Slide 2 – Topics for Discussion

- Recap of WIOA
- Provisions Related to the Performance Accountability System
- Reporting Requirements
- Key Dates
- Additional Resources

Session 1 provided an overview of WIOA, its structure, goals of aligning the core programs, and key implementation dates. Session 2 focused on the Adult Education and Family Literacy Act, or AEFLA, Title II of WIOA and the key changes in AEFLA under the new law. Session 3 highlighted the coordination provisions under Title I-A, specific to State Workforce Boards and Unified State Plans. This session will provide further discussion of the performance accountability system, one of the key alignment provisions emphasized in Title I of WIOA.

Slide 3 – Highlights of WIOA

- Program Alignment
 - ➤ Unified strategic planning across core programs
 - ➤ Enhances role of State and Local Workforce Development Boards in developing and implementing a Unified State Plan
- Increased Accountability
 - Establishment of common measures across core programs
 - ➤ Increases accountability and transparency through reporting and evaluations
- Enhanced Service Delivery
 - ➤ Promotes engagement of employers and alignment of education and training activities through career pathways
 - > Strengthens partnerships and investments in one-stop delivery system

WIOA, enacted on July 22, 2014, represents the first major reform for the American workforce system in over a decade. The new law emphasizes program alignment across the four core programs, which include the adult education and vocational rehabilitation State grant programs administered by the U.S. Department of Education, as well as the workforce development and employment services programs administered by the U.S. Department of Labor.

Title I-A of WIOA focuses on system alignment, including unified strategic planning in the State across the core programs. It streamlines membership and strengthens the role of State and local boards in the development of the Unified State Plans and the performance accountability system. WIOA also establishes common performance measures to ensure alignment, accountability, and transparency across the core programs. The provisions related to the performance accountability system will be the focus of today's discussion.

Slide 4 – Purpose of Performance Accountability System

"...establish performance accountability measures that apply across the core programs to assess the effectiveness of States and local areas...in achieving positive outcomes for individuals served by those programs"

Similar to the Workforce Investment Act, or WIA, the performance accountability system is critical in assessing the effectiveness of programs, with the goal of ensuring that individuals served attain the skills needed to succeed in the 21st century economy.

Slide 5 – Changes in Performance Requirements

[graphic chart with WIA and WIOA requirements set side by side, rendered here as lists] WIA:

- Separate performance indicators for Title I and Title II programs
- AEFLA indicators include:
 - > Improvements in literacy skill levels
 - > Receipt of HS diploma or equivalent
 - > Enter/retain employment or placement/retention/completion of PSE or training
- Incentives for States that exceed targets

WIOA:

- Core programs subject to 6 primary indicators of performance
- Common measures related to:
 - > Employment
 - > Earnings
 - > Credential attainment
 - ➤ Measurable skill gains
 - > Serving employers
- Sanctions for States that fail to meet targets

WIOA makes significant changes in the provisions related to the performance accountability system. Title II of WIA includes its own set of performance indicators under which State eligible agencies are measured. These indicators are the basis for the National Reporting System and require States to measure demonstrated improvements in reading, mathematics and English language proficiency. Additionally, States measure employment outcomes, placement in

postsecondary education or training, and attainment of a high school diploma or its recognized equivalent.

The performance indicators under WIOA add new employment outcomes on earnings and effectiveness in serving employers, and include educational measures for credential attainment and measurable skill gains. While WIA allowed eligible States to receive incentive awards for exceeding their adjusted levels of performance in Title I and Title II, WIOA eliminates the incentives provision and instead applies sanctions for States that fail to meet their performance targets.

Slide 6 – Performance Indicators

- Core programs required to report:
 - (1) Percentage of program participants in unsubsidized employment during second quarter after exit
 - (2) Percentage of program participants in unsubsidized employment during fourth quarter after exit
 - (3) Median earnings of program participants employed during second quarter after exit
 - (4) Effectiveness in serving employers

Section 116 of WIOA describes six primary performance indicators on which core programs are required to report. The Secretaries of Education and Labor, in consultation with a wide group of stakeholders, will issue definitions for the measures to ensure nationwide comparability of performance data.

These measures include key employment indicators, such as the percentage of program participants who are in unsubsidized employment during the second and fourth quarter after exit; median earnings of program participants who are in unsubsidized employment during the second quarter after exit; and a new measure related to effectiveness in serving employers. The Secretaries of Education and Labor will jointly develop and establish these indicators after consultation with stakeholders.

Slide 7 – Performance Indicators (continued)

- (5) Percentage of program participants who obtain a postsecondary credential or high school diploma
 - o Participants attaining a high school diploma may only be counted if they entered or retained employment within one year after exit, <u>or</u>
 - Are in an education or training program leading to a postsecondary credential within one year after exit

The performance indicators also include education outcomes related to credential attainment and measurable skill gains. The attainment of a secondary school diploma or its equivalent may be counted for performance purposes only if the participant has also entered or retained employment or is in an education or training program leading to a postsecondary credential within one year after exit. This represents a significant change from how success was counted for high school completion under WIA.

Slide 8 – Performance Indicators (continued)

- (6) Percentage of program participants who, during a program year, are in an education or training program that leads to a postsecondary credential or employment and who are achieving measurable skill gains toward a credential or employment
 - Statement of Managers report clarifies "measurable skill gains" to encourage Title II providers to serve all undereducated, low-level, and underprepared adults

The education indicators include the percentage of participants who, during a program year, achieve a measurable skill gain. The Statement of Managers report accompanying WIOA specifically recognizes the importance of serving individuals who have low levels of literacy or English language learners. The report clarifies the term measurable skill gains as an encouragement to adult education providers to serve undereducated, low-level, and under prepared adults, which is the primary purpose of the adult education program. Under WIOA, as under WIA, States may also identify and incorporate additional performance indicators in their State plan.

Slide 9 – Negotiating Performance Targets

- States must negotiate targets for each of the primary indicators of performance using several factors
- Factors for consideration
 - ➤ Comparison with targets established by other States
 - Adjustments using objective statistical model, taking into account economic conditions and characteristics of participants
 - ➤ Establishment of targets that promote continuous improvement and ensure optimal return on investment
 - Targets that assist in achieving long-term goals in accordance with GPRA

As part of the State plan, States must come to agreement with the Secretaries of Education and Labor to establish adjusted levels of performance for each of the primary indicators. A new provision for establishing targets requires States to adjust levels of performance based on a number of factors, including a statistical adjustment model which must be developed by the Secretaries of Education and Labor.

The statistical adjustment model allows the State and the Secretaries to negotiate targets based on actual economic conditions, such as unemployment rates, and job losses or gains in particular industries within the State. Additionally, targets may be adjusted based on the characteristics of participants when they entered the program.

The State and Secretaries may also take into account how the levels compare to performance targets established in other States, in order to negotiate targets that promote continuous improvement and optimal return on investment. Further, States must set targets that will assist in achieving long term goals established by the Secretaries in accordance with the Government Performance and Results Act.

Slide 10 – Sanctions

- States that fail to meet performance targets are subject to the following:
 - ➤ 1st Year: Technical assistance and develop PIP

- ➤ 2nd Year: 5% reduction in Governor's reserve fund and
- > 3rd Year: New local board and prohibit use of low performing providers
- Local areas subject to reorganization may appeal to the Governor, or subsequently, to the Secretary of Labor to rescind or revise the decision.

Under WIA, States that exceeded their performance targets in both Titles I and II are eligible to receive incentive awards to support innovative workforce development and education activities. However, under WIOA, if a State fails to meet its target, the Secretaries must provide technical assistance and assist in the development of a performance improvement plan. If a State fails to meet its target for a second consecutive year, or fails to submit a State performance report for any program year, the Governor's reserve fund for statewide workforce investment activities must be reduced by 5 percent.

In the event that a State fails to meet its targets in the third consecutive year, the Governor must take corrective actions. This would include a reorganization plan to require appointment of a new local board, restrict the use of eligible providers and one-stop partners that are identified as achieving poor levels of performance, and take any other actions the Governor determines appropriate.

Slide 11 – Performance Reports

	State	Local	ЕТР
Level of performance for core programs	X	X	X
Level of performance for individuals with barriers to employment (disaggregated)	X	X	
Total number of participants served	X	X	
Number of participants who received and exited career and training services within 3 years	X	X	X
Average cost per participant for career and training services	X	X	X
Percentage of participants who obtain unsubsidized employment in relevant field	X	X	
Number of individuals with barriers to employment served	X	X	X
Number of participants co-enrolled	X	X	
Percentage of annual allotment spent on administrative costs	X	X	
Other information for program comparisons with other States	X	X	

WIOA contains a new requirement for performance reports. The Secretary of Labor, in conjunction with the Secretary of Education, must develop a template for performance reports to be used by States, local boards, and eligible training providers to report on outcomes for the core programs.

States and local areas will be required to annually report a broad array of information about programs and services of the workforce development system. Some information is disaggregated by specific subpopulations to provide transparency about who is accessing services and the outcomes they achieve. For example, the performance report includes specific requirements for States to disaggregate participation and outcome data on individuals who have barriers to employment. The definition of individuals with barriers to employment includes individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers. The reports will also include new information on the number of participants served, the number of participants who received or exited from career and training services, the average cost per participant, as well as information on the number of participants co-enrolled in core programs.

Slide 12 – Evaluations

- States are required to conduct evaluations of core programs to promote continuous improvement and achieve high level performance and outcomes
- Evaluations must be:
 - Designed to use rigorous analytical and statistical methods reasonably feasible (i.e. control groups)
 - > Designed in conjunction with the State and local boards and State agencies responsible for core programs
 - ➤ In cooperation with Federal evaluations
 - > Submitted annually to State and local boards and results made publicly available

WIOA creates a new evaluation requirement that supports increased transparency and program improvement. The law requires States to use funds authorized under the core programs to conduct ongoing evaluations of core program activities. The evaluations must be designed to use the most rigorous analytical and statistical methods that are reasonably feasible and must be coordinated with evaluation activities required under Title II national leadership activities.

The State is required to prepare and submit the reports on the results of these evaluations and make them publicly available, to promote the efficiency and effectiveness of the workforce development system.

Slide 13 – Fiscal and Management Accountability

- Funds under a core program must be used to support a fiscal and management accountability system
- System based on guidelines established by the Secretaries to promote efficient collection and use for reporting, monitoring, and preparing annual reports
- DOL must make arrangements to ensure States have access to quarterly wage records and interstate arrangements
- Requirements must comply with FERPA confidentiality provisions

In order to facilitate the efficient collection and use of fiscal and management information for reporting and monitoring of program funds and preparing State annual reports, funds authorized under a core program must be made available to establish and operate a fiscal and management accountability system. The system would be based on guidelines established by the Secretaries, after consultation with the Governors of States, chief elected officials, and one-stop partners. Additionally, a State must use quarterly wage records to measure the progress on meeting State and local performance measures. The Secretary of Labor must make arrangements consistent with State law, to ensure that interstate arrangements for the use of wage records are available for a State to carry out the State plan or complete reporting requirements. Additionally, States are required to comply with confidentiality regulations under the Family Educational Rights and Privacy Act.

Slide 14 – Key Performance Accountability Dates

- January 2015: NPRM published for comment
- July 2015: WIA performance measures remain in effect, and ED, DOL develop template for State, local and provider performance reports
- January 2016: ED, DOL, HHS publish final rules
- March 2016: Levels for new performance indicators negotiated, and Unified State Plan submitted

There are several key dates that States should keep in mind, relating to the performance accountability system and implementation. In January 2015, the Departments of Education, Labor, and Health and Human Services will publish the Notice of Proposed Rulemaking for comment. The final regulations must be published one year later. By July 2015, the Departments of Education and Labor are required to develop performance reporting templates for use by States, local boards, and eligible providers.

Slide 15 – Key Performance Accountability Dates (continued)

- June 2016: ED, DOL to develop one or more primary indicators of performance that indicate effectiveness of core programs in serving employers
- July 2016: Performance Accountability System goes into effect
- July 2017: First program year of data (PY 2016-17) available for annual reports

States must submit Unified Plans and negotiate performance targets by March 2016. The new indicators to measure effectiveness in serving employers will be developed by the Secretaries of Education and Labor before July 1, 2016. Finally, the performance accountability system and the new performance indicators go into effect on July 1, 2016.

Slide 16 – Additional Resources

- OCTAE's WIOA Information (Title II):
 - o www.ed.gov/aefla
 - o For questions, please email: AskAEFLA@ed.gov
- Rehabilitation Services Administration Information (Title IV amendments):
 - o www.ed.gov/about/offices/list/osers/rsa/wioa-reauthorization.html
 - o For questions, please email: <u>RSA.WIOA@ed.gov</u>
- DOL Employment and Training Administration Information (Titles I and III):
 - o www.doleta.gov/WIOA
 - o For questions, please email: DOL.WIOA@dol.gov

Please continue to check all partner web pages for updates and information on WIOA. If you have any questions, please submit them to the appropriate email addresses. We are still working to respond to your questions and will alert you when we have answers available. Thank you for your participation.

Slide 17 - Closing image of Department of Education seal